Updated in September 2021

S GROUP'S POLICY FOR PROMOTING ANIMAL WELFARE

1. S Group's policy for promoting animal welfare

The policy was published in June 2020. S Group is committed to responsible procurement, and we respect animal welfare. This policy assembles the expectations relating to the production of animal-based products in S Group's product ranges. We require that the primary production, transport, handling and slaughter of production animals are performed without unnecessary suffering. In the supply chain of animal-based products, valid regulations on the protection of animals must be followed, and the natural and species-specific needs of the animals must be respected.

S Group's product ranges include various animal-based products that are under several product categories and sold in different business areas. The general principles apply to all products of animal origin. In addition, the policy consists of species-specific requirements and objectives to be promoted (Appendix 1).

2. Policy coverage and limitations

The principles apply to the S Group's operations in Finland, i.e. SOK and its subsidiaries and regional cooperatives.

The policy covers food products of animal origin (meat and processed products, dairy products, eggs and products containing them as ingredients), as well as textile products containing animal fibers (wool, leather, down, etc.) and cosmetics.

The policy applies to

- whole assortment
- Finnish and foreign production,
- S Group's private labels and branded products
- Products that contain at least 20 % animal or dairy based ingredients.

Appendix 1. S Group's policy for promoting animal welfare

1. General principles

S Group is committed to responsible procurement, and we respect animal welfare. This policy assembles the expectations relating to the production of animal-based products in S Group's product ranges.

S Group's product ranges include various animal-based products that are under several product categories and sold in different business areas. The following principles of freedom should be adhered to in their production:

- The animal is free from hunger, thirst and incorrect diet.
- The animal is free from fear and long-term stress.
- The animal is free from physical and mental suffering.
- The animal is free from pain, injuries and disease.
- The animal is free to express behaviour typical of its species.

We require that the primary production, transport, handling and slaughter of production animals are performed without unnecessary suffering. In the supply chain of animal-based products, valid regulations on the protection of animals must be followed, and the natural and species-specific needs of the animals must be respected.

2. Species-specific criteria

Eggs

We are gradually ceasing the sale of enriched cage eggs by the end of 2026. The sale of enriched cage eggs will cease gradually, because some of our egg producers have invested heavily in enriched cage egg production since the legislation was amended in 2012.

Beak trimming of poultry

The primary goal should be to ensure conditions that are as stress-free as possible, making it unnecessary to trim the beaks of chickens. The trimming of beaks is only approved for chickens under the age of 10 days, using the infrared method.

Castration of male pigs

We require that pain medication is used when boars are castrated.

Trimming of pig's tails

Trimming of tails is only approved if the farm has a programme in place that aims to prevent the biting of tails. The goal of the programme should be to stop trimming tails completely.

Disbudding of calves

We recommend that pain medication is used when calves are polled. Disbudding of calves over six weeks of age is only approved if it is performed by a veterinarian, and if an appropriate pain medication is used. It is prohibited to use corrosive agents.

Using antibiotics and hormones
We do not approve of routine-like antibiotic medication or antibiotic feed for healthy animals. Antibiotics can only be used when prescribed by a veterinarian, and their use should be limited to treating sick animals. Hormones that affect the growth of production animals are prohibited in all EU countries, and meat from outside the EU must conform to EU regulations.

Stunning animals
We do not approve of slaughtering animals without stunning them first. We recommend installing camera surveillance in slaughter houses.

Transport of animals
The transport time to the slaughter house should be a maximum of eight hours.

Cloning and breeding
We do not approve of ingredients that come from cloned animals in any meat product. In addition, we do not approve of any species in our product ranges that cannot breed naturally due to breeding.

Duck liver and foie gras
We do not accept duck liver and foie gras in our product range if force-feeding has been used in their production.

White veal
We do not accept meat from white veal in our product range.

Animal testing in cosmetics
Since 2013, the sale of cosmetics tested on animals has been prohibited by EU legislation. This prohibition also applies to ingredients used in cosmetics. We comply with the legislation, which means that our own cosmetics have not been tested on animals, even outside the EU.

Down and feathers
We do not accept any products in our product ranges that contain down or feathers plucked from live birds.

Angora and mohair
We do not accept any angora products in our product ranges that contain hairs from skinned live rabbits. Animals should be treated in a way that avoids unnecessary suffering.

Merino wool

We do not accept any merino wool products in our product ranges if the mulesing method has been used in their primary production.

Furs
Our chain selection does not include products containing furs.

Leather
The leather in leather products must be a by-product from meat production.

3. Objectives going forward

S Group wishes to promote animals' welfare and their species-specific behaviour. In particular, the animals should have the possibility to move around, exercise and be outdoors, because this promotes wellbeing and improves the health of animals' legs.

S Group encourages producers to develop their production towards methods that allow animals to move (e.g. free-range pastures and free farrowing). However, changes to production facilities require significant investment by producers, so an appropriate transition period should be allowed.

4. Additional criteria for S Group's private label food and non-food products

Whole eggs
Whole eggs from caged hens are not allowed in Kotimaista brand after the year 2023. Whole eggs from caged hens in other private label brands are not allowed after the year 2026.

Eggs as ingredients
Eggs from caged hens, used as ingredients, must not be used in private brand products after the year 2025. Exceptions: This requirement does not apply to additives produced from eggs, e.g., lecithin (E 322) and lysozyme (E 1105).

The following requirements must be fulfilled by all private brand products containing more than 20 % meat, 20 % milk and/or 20 % egg. Exceptions: Not applicable for Ice cream and melting cheese.

Animal housing environment
Dairy cows must have appropriate lying areas (stall or pen areas) with adequate dry bedding. Beef cattle in the same pen must be able to lie down at the same time. Piglets must have a solid area

where all piglets can lie down at the same time. All animals must have access to light/daylight for minimum 8 hours per day.

Outdoor access, separation and confinement
Dairy cows that are kept in tie-stall barn must be let out to a pasture or outdoor loafing area for at least 60 days per year. Sheep must have access to outdoor areas during grazing season. Tethering of animals is forbidden except for dairy cows kept in tie-stall barns and for temporary reason such as veterinary care.

Isolation of animals is allowed only short term for example due to illness or injury. An animal, which no longer needs to be in a single pen, must immediately be returned to the group.

Bulls/rams/boars may be kept in a single pen, but they must maintain a visual contact to other cattle/pigs/sheep.

Calves up to 8 weeks of age may be kept in a single pen. Calf kept in a single pen must be able to maintain a visual contact and touch other calves/cattle. Calves´ need to suck must be met, e.g. calves should be fed with a teat bucket/artificial teat feeder or calves should be provided with a pacifier.

A sow/gilt may be kept separated from the group in a farrowing/gestation crate only during a time period that begins a week before expected farrowing and ends four weeks after successful, post-partum insemination. It is preferred that separation ends after weaning of piglets.